DEC 30

Broadcasting

FIRST IN TELEVISION CABLE RADIO SATELLITE

C185-14

❑ KATZ TO REP CABLE AND BROADCAST IN WICHITA / 5

❑ NOVEMBER WINNERS: 'WHEEL,' 'OPRAH,' 'CHEERS' and 'ET' / 10

❑ NTIA'S OBUCHOWSKI RESIGNS TO JOIN PRIVATE SECTOR / 12

#********** 5-DIGIT 20814
#01048988#C SEP92 BR522
SRI ACQ
CONGRESSNL INFO SRV 284
4520 EAST-WEST HWY
BETHESDA MD 20814

PTAR DEBATE HEATS UP

their time each day at that to the buyers' pool for off-network prime access programing would not necessarily upgrade the bidding for attractive off-network programs," INTV said. "Moreover, by relaxing the rule, the gain easily could be offset by the resultant decrease in the numbers and strength of independent stations in the market.

"CBS really appears anxious to kill the goose that laid the golden egg by having its affiliates supplant independent stations as the prime market for the most attractive off-network programing," it said.

"What we are concerned about...is that CBS actually may be motivated by a desire to exploit more fully the product the networks themselves would be syndicating under the newly relaxed syndication rules," INTV said. "They want another market, especially one they could better exploit by way of affiliate relationships. You know we think those 'anti-favoritism' safeguards [in the fin-syn rules] won't work. The commission's worried too. With all those walls coming down at once, they might just stampede over us." ■

Katz to rep cable, station in same market

By Joe Flint

The line between broadcast and cable became more blurred last week when Katz Communications, SJL Broadcast Management and Multimedia Cablevision reached an agreement that will make Katz, currently the rep for SJL Broadcast Management's KSNW(TV) Wichita, the rep for Multimedia's Wichita Kansas cable system. The system, which serves about 95,000 and has 80% penetration of the market, was previously repped by National Cable Advertising.

Katz also represents SJL Broadcast Management's four other stations and is said to be in talks with its

This Week

PICKING SIDES ON PTAR / 4

NBC joins with CBS in asking the FCC to exclude off-network shows from the prime time access rules.

TWO IN ONE / 5

Katz will rep both a TV station and a cable system in Wichita, Kan.

WHAT'S AHEAD / 6

According to an annual Commerce Department report, *U.S Industrial Outlook '92*, the cable television industry is projected to grow about 10.5% in 1992 and continue to grow 7%-10% annually through 1995. Also, some of the broadcast TV network revenue lost to cable in recent years may be recouped, and broadcast television will continue to be the dominant TV ad medium through the end of the decade.

SYNDICATION SWEEPS / 10

Among the winners in November are *Wheel, Cheers, Oprah* and *Star Trek*.

SURPRISE AT NTIA / 12

Janice Obuchowski resigns effective Jan. 31 as head of the National Telecommunications and Information Administration. She will form her own telecommunications research and consulting firm. Thomas Sugrue, NTIA deputy assistant secretary, becomes acting administrator following her departure.

BIG TO GET BIGGER / 14

A Salomon Brothers study predicts that over the next four years, cable MSO's will expand to the point that 25 of them will control 90% of basic subscribers, compared to today's 74%.

KEEPING ITS FINGERS CROSSED / 15

Turner Broadcasting hopes the Soviet Union breakup will not affect its 1994 Goodwill Games, scheduled to be held in St. Petersburg and Moscow.

KIDS' NUMBERS / 16

Programers complain that a dramatic drop in children's viewing in September and October is not accurate, since there was no proportionate decrease in household numbers for the same shows. Nielsen stands by its numbers.

SPECTRUM FEE PROPOSED FOR JAPAN / 20

That country's government wants to initiate fee it hopes will raise $150 million for the Ministry of Posts and Telecommunications.

TRADE PROBLEM / 22

Jack Valenti, president, MPAA, calls a proposed multilateral trade agreement "an arrow aimed straight at the heart of the U.S. motion picture industry."

THE LONG AND SHORT OF IT

In recognition of the holiday season, BROADCASTING is publishing an abbreviated issue this week. Missing are most of the standard departments; present is the full week's budget of breaking news. Standard publication will resume with the next issue (Jan. 6, 1992).

Founded in 1931 as *Broadcasting*, the News Magazine of the Fifth Estate. *Broadcasting-Telecasting*® introduced in 1946. *Television*® acquired in 1961. *Cablecasting*® introduced in 1972. *Broadcasting-Cable* introduced in 1989. *Broadcasting*® is a registered trademark of Reed Publishing (Nederland) B.V., used under license. ®Reg. U.S. Patent Office.

Incorporating The Fifth Estate TELEVISION Broadcasting ■ Cable

Broadcasting (ISSN 0007-2028) (GST #123397457) is published weekly with one additional special issue in January by The Cahners Publishing Co. (subscription includes all issues). Cahners Publishing Co. is a division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630; Terrence M. McDermott, President/Chief Operating Officer; Frank J. Sibley, Executive Vice President; John J. Beni, Senior Vice President/General Manager; Neil Perlman, Senior Vice President/Group Publisher; Jerry D. Neth, Senior Vice President/Publishing Operations; J.J. Walsh, Senior Vice President/Finance; Thomas J. Dellamaria, Senior Vice President/Production & Manufacturing; Ralph Knupp, Vice President/Human Resources; Neal Vitale, Vice President/Consumer Publishing. Second-class postage paid at Washington, DC 20036 and additional mailing offices. Postmaster, please send address corrections to: *Broadcasting*, PO Box 715, Brewster, NY 10509-0715.

Broadcasting copyright 1991 by Reed Publishing USA; Robert L. Krakoff, Chairman/Chief Executive Officer.

Annual subscription rates: USA, $85; Canada, $129 (includes GST); Foreign Air, $300; Foreign Surface, $149. Single copies are $2.95, special issues, $4.50. Please address all subscription mail to: *Broadcasting*, PO Box 715, Brewster, NY 10509-0715. *Broadcasting* is a registered trademark of Reed Properties, Inc., used under license. Microfilm of *Broadcasting* is available from University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106 (1-800-521-0600).

TOP 25 MSO'S WILL INCREASE OWNERSHIP OVER NEXT FOUR YEARS, PREDICTS STUDY

Salomon Bros. report says control of cable subscribers by large cable companies will increase from 74% to 90%, a process that will help cable companies compete in the future with telephone companies

By Sharon D. Moshavi

Consolidation over the next four years of cable system ownership will result in 25 MSO's controlling 90% of total subscribers, compared with the 74% of total subscribers currently under control by the top 25 MSO's, according to a Salomon Brothers report on the future of the cable industry. That will require the acquisition of systems totaling about 10 million subscribers.

According to the report, by stock analyst K.V. Bendre, consolidation, focusing particularly on forming large clusters of systems with 300,000 to 500,000 subscribers per cluster, will be vital to help cable companies compete in the future with the telephone companies, since they will "allow for much greater efficiencies in operations and marketing as well as for better planning and implementation of system architecture and technology." At prices of about $1,800 to $2,000 per subscriber, Salomon Brothers predicts the consolidation process will cost $18 billion to $20 billion.

The report predicts that small, undercapitalized MSO's will have a hard time effectively competing over the long term and will sell to larger operators. But larger, highly leveraged MSO's will need to raise capital to fund the consolidation, about $5 billion each year for the next four years.

An analysis of several large MSO's reveals a ratio of debt to operating cash flow at about eight times in 1990, and that is expected to drop to seven to seven-and-a-half times in 1991 (see chart). The report assumes that leverage ratio by 1995 will be about four times operating cash flow. According to Salomon Brothers, that means $5 million for fund consolidation will have to be raised through equity capital and the rest, about $15 million, through debt markets.

Cable continues to have a good year, despite the recession, according to Salomon, which predicts that most cable operators will see 10% to 12% in cash flow growth this year over 1990. The report also predicts that cash flow levels will continue to grow annually at 8% to 11% over the next four years.

The combination of deleveraging and cash flow growth is expected to help cable stocks grow annually 15% to 20% over the next three to four years. Within the group of the largest cable operators (Salomon does not analyze multimedia companies with cable operations, such as Time Warner and Viacom), the report picks Comcast, Cablevision Systems and Tele-Communications Inc., as the three best stock choices. Salomon is strongest on Comcast's cellular business, Cablevision's large clusters of subscribers and TCI's financial acumen. ■

LEVERAGE DECREASING FOR TOP MSO'S

	Debt times cash flow*	
	1990	1991
Adelphia Communications	9.1x	8.9x
American Television & Communications	1.6	1.1
Cablevision Industries	9.9	8.8
Cablevision Systems	9.0	8.3
Comcast Corporation	5.9	5.4
Continental Cablevision	8.0	7.5
Heritage Communications	7.1	6.6
Storer Communications	7.6	NA
Tele-Communications Inc.	NA	6.4

*Cash flow is EBITDA: earnings before interest, taxes, depreciation and amortization. NA-Not applicable/not available. TCI numbers include United Artists Entertainment and Heritage Cable operations. Comcast and TCI debt does not include Storer-related debt.

GOODWILL GAMES WILL GO ON, TBS HOPES

Focus—and some details—may change due to events in Russia and the evolving commonwealth

By Sharon D. Moshavi

Despite the breakup of the Soviet Union, Turner Broadcasting System hopes it can salvage the 1994 Goodwill Games, originally scheduled to be held in St. Petersburg and Moscow, both in the Russian Republic. Although Goodwill Games President Jack Kelly admits recent events may "change the focus of the games," he embarks next week on a trip to St. Petersburg to plan the course the event will now take.

Originally formed to foster relations between two countries trying to emerge from a cold war, the Goodwill Games will now have to alter its focus. Kelly said he is "offended by those who say if an event changes its focus, it's a failure. The Superbowl started out differently. So did the Olympics games."

But TBS's concern is not just the

Changing Hands

This week's tabulation of station and system sales ($250,000 and above)

WOMA(FM) Algoma, Wis. □ Sold by Wheeler Broadcasting Inc. to Nicolet Broadcasting Inc. for $350,000. Terms: $5,000 earnest money deposit, $15,000 cash at closing and $330,000 10-year interest-bearing note. **Seller** is headed by Ray L. Wheeler, and is also licensee of WTCH(AM)-WOWN(FM) Shawano, Wis. Wheeler and 50% owner Bruce D. Grassman also have interests in WJNR-FM Iron Mountain, Mich. **Buyer** is headed by Roger L. Utnehmer, and is licensee of WERL (AM)-WRJO(FM) Eagle River and WNBI(AM)-WCQM-FM Park Falls, both Wisconsin. WOMA has AC, oldies format on 96.5 mhz with 3 kw and antenna 328 feet above average terrain.

KTVQ(TV) Billings, Mont. Sold by SJL of Montana Associates Ltd. to KTVQ Communications Inc. for $6.8 million cash at closing. **Seller** is headed by George D. Lilly, who has interests in WSTM-TV Syracuse, N.Y.; KSNW(TV) Wichita, KSNG(TV) Garden City, KSNC(TV) Great Bend and KSNT(TV) Topeka, all Kansas; KSNK(TV) McCook, Neb., and WJRT-TV Flint, Mich. **Buyer** is headed by John O. Gilbert, and is subsidiary of Cordillera Communications Inc., licensee of KIVI(TV) Nampa, Idaho; KOAA-TV Pueblo, Colo., and KPAX-TV Missoula, KRTV(TV) Great Falls and KXLF-TV Butte, all Montana. Cordillera Communications' stock is 100% owned by Evening Post Publishing Co. KTVQ is independent on ch. 2 with 100 kw visual, 10.2 kw aural and antenna 670 feet above average terrain.

WMYY(FM) Schoharie, N.Y. □ Sold by Tri-City Media Co. to Capital Media Corp. for $525,000. Terms: $35,000 escrow deposit, $465,000 cash at closing and deferred payment of $25,000 (without interest) on second anniversary of closing date. **Seller** is headed by J.R. McClure, who is also selling WMAX(AM) Kentwood (Grand Rapids), Mich. ("For the Record," Dec. 16). He also has interests in WFAM(AM) Augusta, Ga., and KKKK(FM) Odessa, Tex. McClure owns CP's for KJET(FM) Kingsburg, Calif., WYMY(FM) Bedford, Va., and CP at McClellanville, S.C.

PROPOSED STATION TRADES

By volume and number of sales

This Week:	
AM's	$100 □ 1
FM's	$1,894,000 □ 4
AM-FM's	$0 □ 0
TV's	$6,875,000 □ 2
Total	$8,769,100 □ 7
Year to Date:	
AM's	$81,129,886 □ 263
FM's	$216,005,609 □ 275
AM-FM's	$336,301,849 □ 210
TV's	$1,067,529,400 □ 82
Total	$1,700,966,744 □ 830

For 1990 total see Jan. 7, 1991 Broadcasting.

Buyer is headed by Paul F. Lotters, who is sole stockholder of Lotters Inc., licensee of WHAZ(AM) Troy, N.Y. WMYY has country format on 97.3 mhz with 885 w and antenna 885 feet above average terrain.

WCRQ-FM Arab, Ala. □ Sold by Alexandra-Brooke Broadcasting Co. Inc. to WCRQ Inc. for $329,000. Terms: $57,000 cash at closing, $160,000 promissory note, $75,000 payable after 60 days from execution of agreement and $37,000 assumption of debt. **Seller** is headed by Kerry G. Rich, who is 40% partner in Kerry Rich and Joel Kennamer, partnership, licensee of WLLK(FM) Somerset, Ky. He is also 100% owner of WKXX(FM) Attalla and 75% stockholder of licensee of WRAB (AM) Arab, both Alabama. **Buyer** is headed by Donald R. Mitchell, who owns 25% of licensee; approval of assignment will make him controlling owner with 99% interest. WCRQ-FM has AC format on 92.7 mhz with 700 w and antenna 670 feet above average terrain.

KEZL(FM) Fowler (Fresno), Calif. □ CP sold by Bilmar Communications Inc. to Americom II for $1 million. Terms: $75,000 escrow deposit, $300,000 cash at closing and $625,000 note at 10%. **Seller** is headed by William Donahue. Edward Atsinger III, who has 60.78% interest in licensee, has 37.4% interest in KFAX(AM) San Francisco and KKXX-FM Delano, both California, and 50% interest in KKLA(FM) Los Angeles. Atsinger and Stuart Epperson are each 50% owners of Salem Communications Corp., licensee of nine AM's and five FM's. Salem Communications' purchase of WAVA-FM Arlington (Washington), Va., was recently approved. **Buyer** is headed by general partners A. Thomas Quinn, Paul Almond, Richard Nagler and Americom II (99.99% ownership). Americom II is licensee of KEYQ(AM) Fresno and KEYX(AM)-KFSO(FM) Visalia, both California. Americom Ltd. is licensee of KHTZ(AM)-KODS(FM) Truckee-Carnelian Bay (Reno), Calif. KEZL has AC, jazz format on 96.7 mhz with 25 kw and antenna 300 feet above average terrain.

Million Dollar Broadcasting, Inc.

has acquired the assets of

KROL - AM

Laughlin/Las Vegas, Nevada

from

Laughlin Roughrider Broadcasters, Inc.

Bob Austin, Vice President,

represented the buyer.

Satterfield + Perry, Inc.

Brokers • Consultants • Appraisers

Philadelphia • Kansas City • Denver

Jack Satterfield (215) 668-1368
John Weidman (215) 660-7760
Doug Stephens (913) 649-5103
Al Perry (303) 239-6670
Bob Austin (303) 740-8424

Broadcasting's Ratings Week ϟ Dec16-22

	ABC	CBS	NBC	FOX
MONDAY	16.5/26	16.9/26	13.0/20	5.1/8
8:00	60. MacGyver 10.3/17	15. Evening Shade 15.5/24	20. Fresh Prince 14.7/23	89. Fox Night at the Movies—Cocoon: The Return 5.1/8
8:30		12. Major Dad 16.9/26	46. Blossom 11.9/18	
9:00	3. NFL Monday Night Football—Los Angeles Raiders at New Orleans Saints 19.0/32	5. Murphy Brown 18.1/27	35. NBC Monday Night Movies—In the Nick of Time 12.9/20	
9:30		9. Designg Wmn 17.4/26		
10:00		13. Northern Exposure 16.7/27		
10:30				
TUESDAY	16.1/26	14.3/23	11.9/19	NO PROGRAMING
8:00	10. Full House 17.3/28	23. Rescue: 911 14.5/23	62. I'll Fly Away 10.0/16	
8:30	4. Home Improvmt 18.7/29			
9:00	1. Roseanne 20.6/31	24. CBS Tuesday Night Movie—Turner & Hooch 14.2/23	20. In the Heat of the Night 14.7/22	
9:30	5. Coach 18.1/28			
10:00	54. Homefront 10.8/19		52. Law and Order 11.1/19	
10:30				
WEDNESDAY	10.9/18	12.6/21	15.5/25	NO PROGRAMING
8:00	57. Dinosaurs 10.5/17	35. Frosty/Snowman 12.9/21	7. Unsolved Mysteries 17.8/29	
8:30	42. Wonder Years 12.1/19	33. Wish for Wings 13.2/21		
9:00	28. Doogie Howser 13.7/21	48. Jake and the Fatman 11.8/19	16. Bob Hope Country Christmas 15.2/24	
9:30	49. Anything B/Love 11.7/18			
10:00	70. Civil Wars 8.7/15	35. 48 Hours 12.9/22	30. Christmas in Washington 13.4/23	
10:30				
THURSDAY	11.7/19	10.1/16	15.0/24	14.0/22
8:00	75. Pros and Cons 7.9/13	57. Top Cops 10.5/17	14. Cosby 16.0/26	22. Simpsons 14.6/24
8:30			16. A Diffnt. World 15.2/24	27. Beverly Hills 90210 13.8/21
9:00	68. FBI: Untold Stories 9.0/14	69. Trials of Rosie O'Neill 8.8/13	10. Cheers 17.3/27	
9:30	62. American Det. 10.0/15		19. Wings 14.9/23	
10:00	8. Primetime Live 17.7/29	53. Knots Landing 11.0/18	30. L.A. Law 13.4/22	
10:30				
FRIDAY	12.3/22	9.5/17	9.4/17	5.9/11
8:00	35. Family Matters 12.9/23	64. Charlie Brown Xmas 9.6/17	41. Matlock 12.2/22	82. America's Most Wanted 7.2/13
8:30	44. Step By Step 12.0/21	66. Wish/Christmas 9.3/16		
9:00	49. Perfect Strngrs 11.7/21	65. CBS Special Movie—Moonstruck 9.5/17	71. Pacific Station 8.4/15	92. Hidden Video 4.9/9
9:30	54. Baby Talk 10.8/19		78. Dear John 7.7/14	96. Best of the Worst 4.2/8
10:00	32. 20/20 13.3/25		77. Reasonable Doubts 7.8/15	
10:30				
SATURDAY	6.7/13	9.6/18	12.1/23	5.6/11
8:00	84. Who's the Boss? 6.7/13	60. CBS Saturday Movie—Scrooged 10.3/19	44. Golden Girls 12.0/23	82. Cops 7.2/14
8:30	79. Growing Pains 7.5/14		57. Walter & Emily 10.5/20	94. Charlie Hoover 4.6/9
9:00	91. In Concert '91 Presents 5.0/9		25. Empty Nest 13.9/25	85. Cops 2 6.4/12
9:30			39. Nurses 12.8/23	95. Get A Life 4.3/8
10:00	75. The Commish 7.9/16	72. P.S. I Luv U 8.2/16	51. Sisters 11.6/23	
10:30				
SUNDAY	12.2/20	15.7/27	8.1/13	8.0/13
7:00	79. Life Goes On 7.5/13	2. 60 Minutes 19.4/34	88. Eerie, Indiana 5.3/10	87. True Colors 5.5/10
7:30			89. The Torkelsons 5.1/9	86. Parker Lewis 6.2/11
8:00	34. Am Fun Hme Vid 13.1/22	29. Murder, She Wrote 13.5/22	73. Hot Country Nights 8.1/13	54. In Living Color 10.8/18
8:30				46. In Living Color 11.9/19
9:00	25. ABC Sunday Night Movie—Raiders of the Lost Ark 13.9/23	18. CBS Sunday Movie—Baby of the Bride 15.0/26	66. NBC Sunday Night Movie—A Mom for Christmas 9.3/15	42. Married w/Childn 12.1/19
9:30				74. Herman's Head 8.0/13
10:00				93. Sunday Comics 4.8/8
10:30				
WEEK'S AVGS	12.6/21	12.8/21	12.0/20	7.8/13
SSN. TO DATE	12.2/20	13.6/22	12.7/21	7.7/13

RANKING/SHOW (PROGRAM RATING/SHARE) *PREMIERE SOURCE: A.C. NIELSEN YELLOW TINT IS WINNER OF TIME SLOT